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A Monthly Report from The Conference Board

INTERNATIONAL ECONOMIC SCOREBOARD

The Conference Board

MAY, 1987

SUMMARY

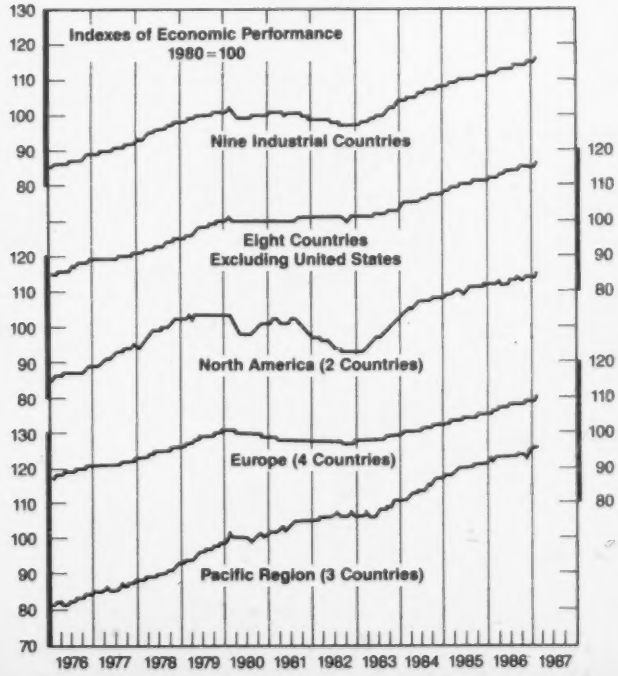
The world business cycle continues to chug along on the expansion trail. For the fourth consecutive month there isn't a minus sign to be found among the growth rates of the leading or the performance indexes. In every country the performance indexes are rising at moderate rates. The leading indexes are doing better in most countries and thus suggest a quickening of economic growth in the months immediately ahead. The geographic pattern is mixed, with the least strength in Europe and the most in the Pacific Region.

Again this month, the robust climb in the Japanese leading index is a bit perplexing. As has been widely reported, Japanese stock prices have been booming. But beyond that, overtime hours, new orders for machinery and construction, raw materials prices and other early warning series have contributed to the advance in the leading index during recent months. Nevertheless, it is still difficult to reconcile these favorable signals against the many pessimistic reports from Tokyo about the economic difficulties caused by the elevated exchange value of the yen.

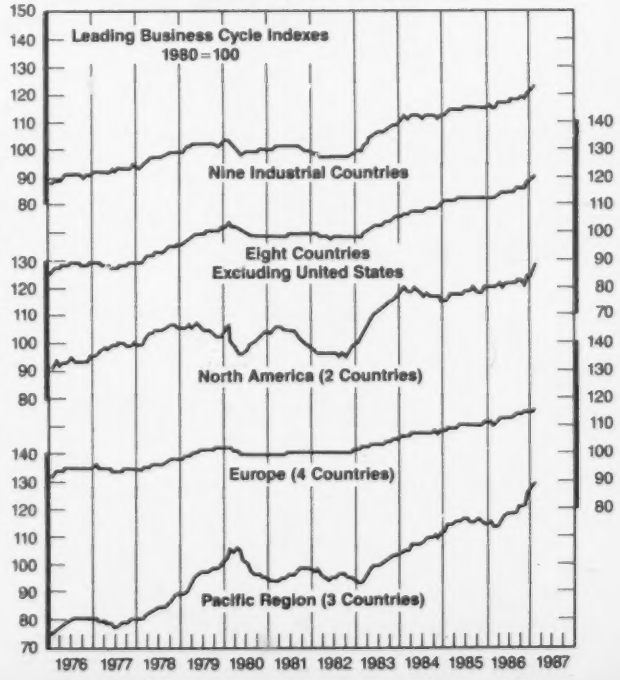
	Ten-year Growth Rate	*Indexes of Economic Performance Growth Rates**			*Leading Business Cycle Indexes Growth Rates**				
	1976-86	*6 mos. ago*	*3 mos. ago*	*Latest month*	*6 mos. ago*	*3 mos. ago*	*Latest month*	*Current Reading on the Cycle*	*Latest Month Covered*
	annual rates, percent								
9 countries	3	3	2	3	3	3	9	Expansion continuing	Feb.
8 countries ex. U.S.	3	3	3	3	3	5	8	Expansion continuing	Feb.
North America (2)	3	2	2	3	2	0	10	Expansion continuing, leaders strong	Feb.
Europe (4)	2	3	4	4	2	3	4	Expansion continuing	Feb.
Pacific Region (3)	4	2	2	3	5	9	16	Expansion continuing, leaders strong	Feb.
United States	3	2	3	3	4	5	11	Expansion continuing, leaders strong	Mar.
Canada	3	2	1	3	2	0	3	Expansion continuing	Feb.
West Germany	2	5	4	3	0	1	1	Expansion continuing, leaders weak	Feb.
France	2	4	4	3	7	7	6	Expansion continuing	Feb./Mar.
United Kingdom	2	3	5	5	1	3	6	Expansion continuing	Feb.
Italy	2	2	2	1	4	5	3	Expansion continuing	Jan./Feb.
Japan	4	2	1	3	5	9	17	Expansion continuing, leaders strong	Feb.
Australia	3	2	0	4	1	6	9	Expansion continuing, leaders strong	Feb.
Taiwan, R.O.C.	8	13	14	8	12	13	13	Expansion continuing, leaders strong	Mar.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

Where We Are


Indexes of Economic Performance
1980=100
Nine Industrial Countries
Eight Countries
Excluding United States
North America (2 Countries)
Europe (4 Countries)
Pacific Region (3 Countries)
1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987

Where We're Headed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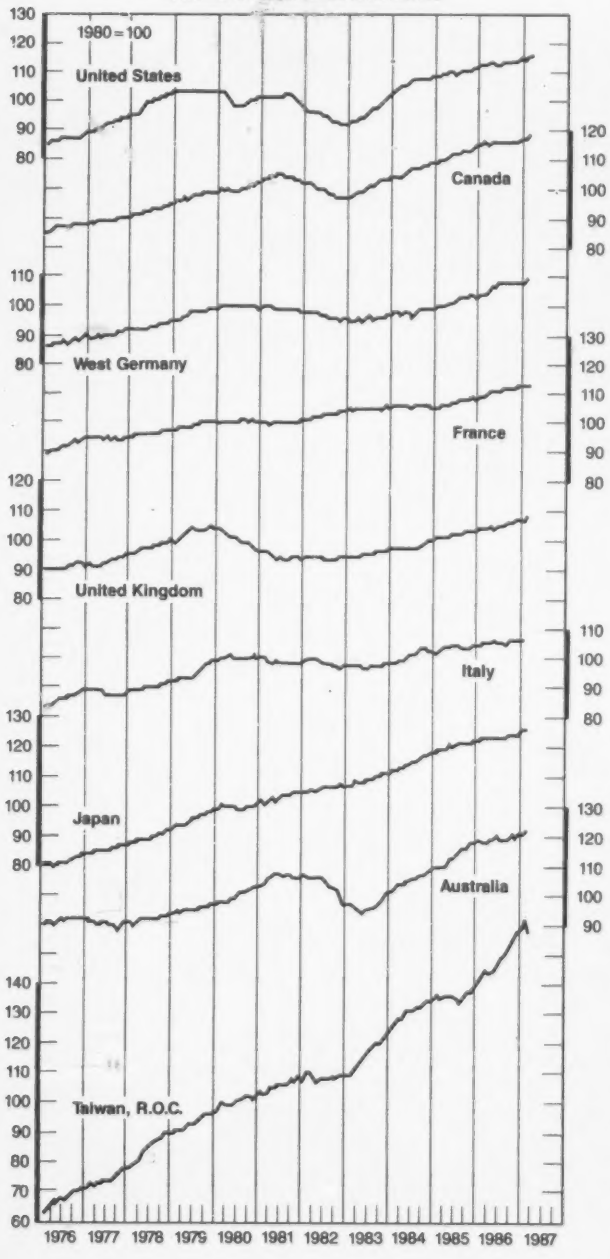
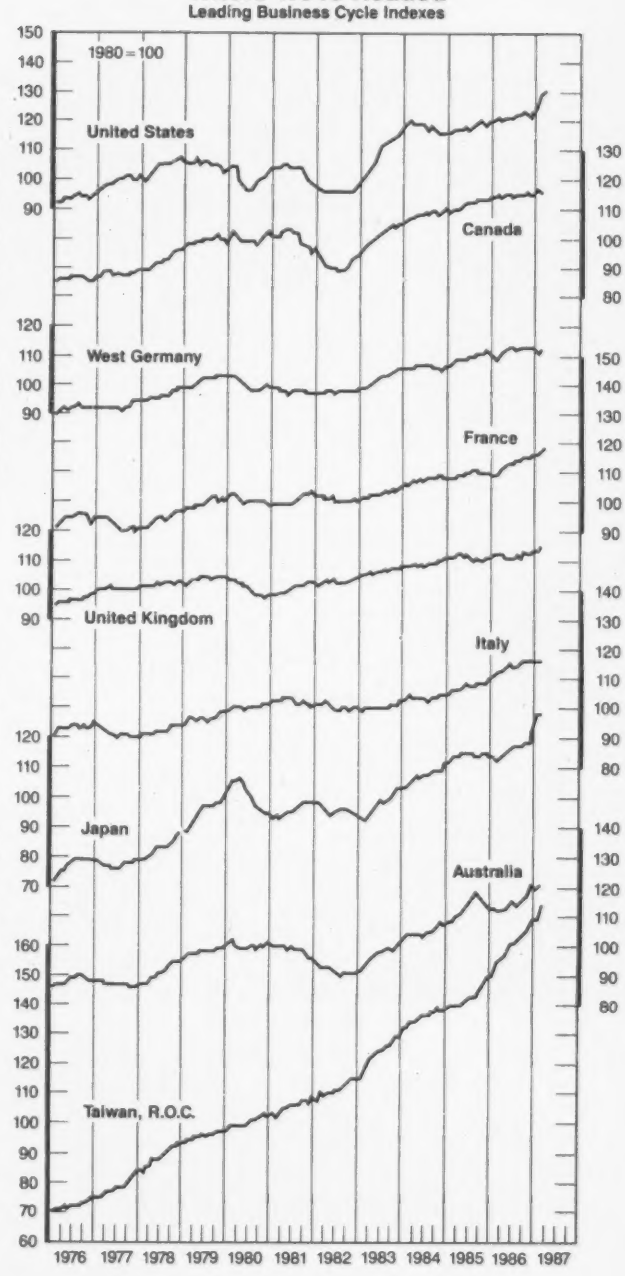
Where We Are

Indexes of Economic Performance



Where We're Headed

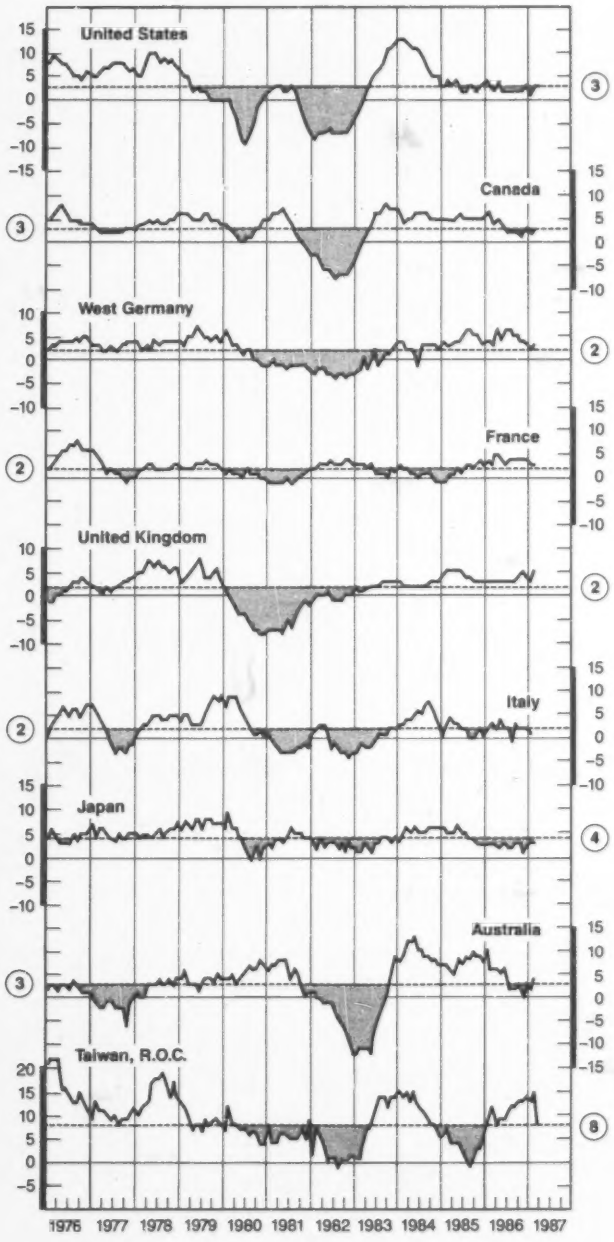
Leading Business Cycle Indexes



Source: Compiled for The Conference Board by the Center for International Business Cycle Research, Columbia Business School.

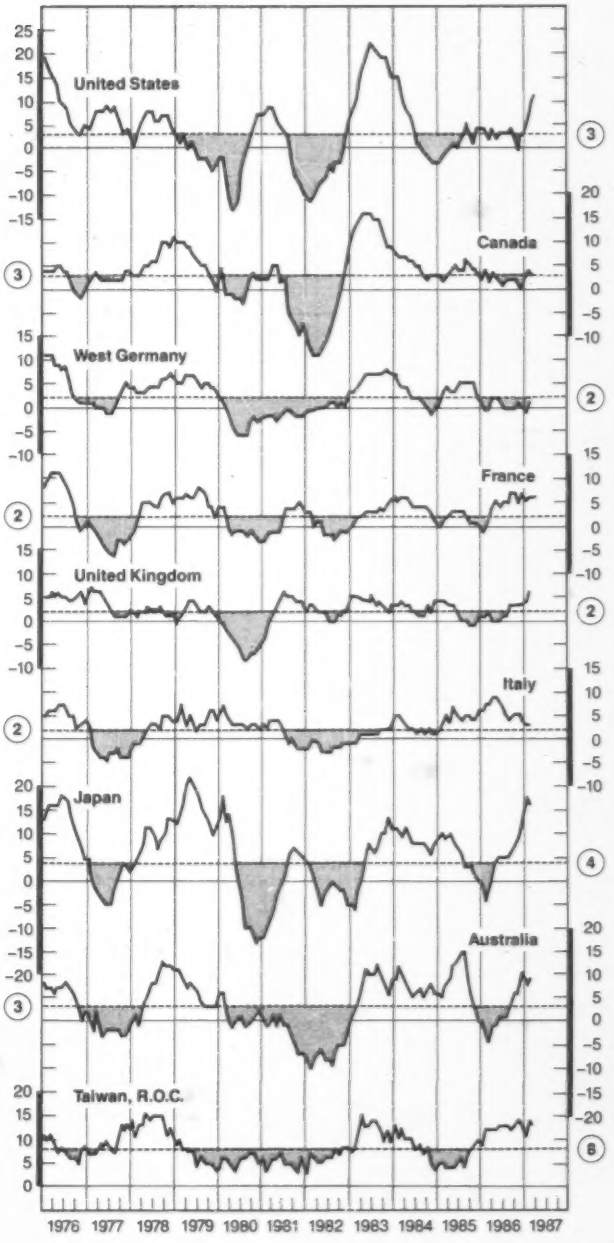
Where We Are

Growth Rates, %, Performance Indexes



Where We're Headed

Growth Rates, %, Leading Indexes



Note: Horizontal dashed lines are average growth rates for 1976-1986 in the index and in Real GNP.

Source: Compiled for The Conference Board by the Center for International Business Cycle Research, Columbia Business School.

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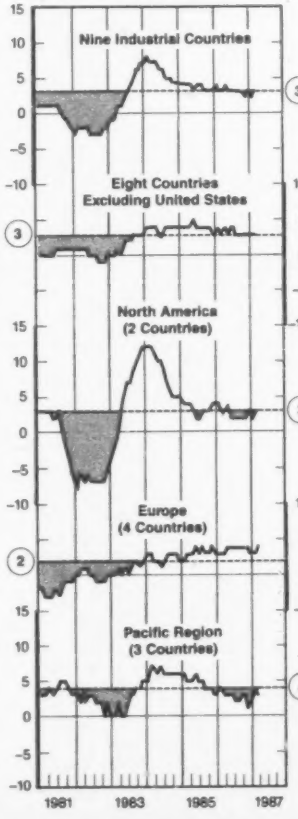
INDEXES, NINE COUNTRIES, 1985-87

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.	
		Indexes, 1980 = 100																	
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Nov.	85	111	118	114	113	104	112	109	110	103	110	104	109	121	114	118	114	137	148
Dec.	85	112	120	115	114	104	111	108	110	103	111	104	110	122	113	118	113	138	150
Jan.	86	112	120	115	114	104	111	109	109	104	111	104	111	122	114	119	113	141	150
Feb.	86	112	121	116	114	105	110	109	109	104	111	105	111	122	112	118	112	143	152
Mar.	86	112	120	115	114	105	111	110	111	104	112	105	112	123	112	118	112	146	154
Apr.	86	113	121	116	115	107	112	111	112	105	111	105	114	123	114	119	113	144	156
May	86	112	120	116	114	106	112	111	113	104	111	106	115	123	116	119	114	145	157
June	86	112	121	116	114	107	112	111	113	105	111	105	114	123	117	120	115	148	159
July	86	113	122	116	115	108	111	112	114	105	111	105	113	123	117	119	114	149	161
Aug.	86	113	122	116	115	108	111	112	114	105	111	104	114	123	117	119	115	150	162
Sept.	86	113	123	116	115	108	111	112	115	106	113	106	115	124	119	119	116	152	163
Oct.	86	113	122	116	116	108	111	112	115	106	113	106	115	124	120	120	118	154	165
Nov.	86	113	121	116	114	108	112	113	115	107	113	106	116	124	121	119	118	155	168
Dec.	86	114	124	117	115	108	112	113	116	107	114	106	116	125	124	121	120	158	169
Jan.	87	114	125	117	117	108	111	113	116	107	114	106	116	126	128	121	120	159	169
Feb.	87	115	129	118	116	109	112	113	117	108	115		116	126	128	122	121	162	173
Mar.	87	115	130						118									158	174
		Growth Rates, Percent																	
Nov.	85	3	1	5	4	4	4	4	1	4	0	2	4	3	1	9	3	3	9
Dec.	85	3	4	5	3	3	2	3	1	4	1	1	6	3	–1	8	0	4	10
Jan.	86	4	4	6	3	4	1	4	0	4	1	2	6	3	–1	10	0	8	9
Feb.	86	3	4	5	4	4	0	3	–1	4	0	2	6	3	–4	6	–2	9	11
Mar.	86	2	2	4	2	4	0	3	1	4	1	3	7	3	–3	6	–4	12	12
Apr.	86	4	4	5	3	6	2	4	4	4	0	2	9	2	1	6	–1	8	12
May	86	2	2	4	2	4	2	4	5	3	0	3	9	2	3	5	–1	9	12
June	86	2	3	3	1	6	1	3	4	3	1	2	7	2	5	6	1	9	13
July	86	2	3	2	2	6	0	4	5	3	1	2	5	2	5	2	0	11	13
Aug.	86	2	3	2	2	5	0	4	5	3	1	–1	4	2	5	2	1	12	13
Sept.	86	2	4	2	2	5	0	4	7	3	3	3	5	3	7	2	4	13	12
Oct.	86	2	2	2	2	4	0	4	7	4	3	2	5	3	8	3	6	13	13
Nov.	86	2	0	1	0	4	1	4	5	5	3	2	5	1	9	0	6	13	14
Dec.	86	3	5	3	1	3	0	4	7	4	3	2	4	2	14	3	10	14	13
Jan.	87	1	6	2	4	2	–1	3	5	3	4	1	3	3	18	2	8	13	11
Feb.	87	3	10	3	3	3	1	3	6	5	6		3	3	17	4	9	15	14
Mar.	87	3	11						6									8	13
		Ten Year Annual Growth Rate, Percent																	
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8

		9 Countries		8 Countries ex. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Nov.	85	111	115	111	112	111	118	105	110	122	115
Dec.	85	111	115	111	112	112	120	105	111	122	114
Jan.	86	112	116	112	112	112	120	106	110	123	115
Feb.	86	112	115	112	112	112	120	106	110	122	113
Mar.	86	112	115	112	112	112	120	106	111	123	113
Apr.	86	113	117	113	113	113	121	107	112	123	115
May	86	113	117	113	114	112	120	107	112	123	117
June	86	113	117	114	114	112	121	107	112	124	118
July	86	113	117	114	114	113	121	108	112	123	118
Aug.	86	114	118	114	114	113	121	108	112	124	118
Sept.	86	114	118	114	116	114	122	108	113	124	120
Oct.	86	114	119	115	116	113	122	108	113	125	121
Nov.	86	114	118	115	116	114	120	109	114	124	122
Dec.	86	115	120	115	118	114	124	109	114	125	125
Jan.	87	115	122	115	119	114	124	109	114	126	128
Feb.	87	116	123	116	120	115	128	110	115	126	129
		Growth Rates, Percent									
Nov.	85	3	2	4	2	3	2	4	2	4	1
Dec.	85	3	2	3	1	4	4	3	2	3	0
Jan.	86	4	2	4	1	4	4	3	1	4	0
Feb.	86	3	2	3	–1	3	4	3	1	3	–3
Mar.	86	3	1	3	0	3	2	3	2	3	–2
Apr.	86	4	3	4	2	4	4	4	3	3	1
May	86	3	3	3	3	3	2	4	3	3	3
June	86	3	3	3	3	2	3	4	3	3	5
July	86	3	3	3	3	2	3	4	2	2	5
Aug.	86	3	3	3	3	2	2	3	2	2	5
Sept.	86	3	4	3	5	2	3	4	3	3	7
Oct.	86	3	4	3	5	2	2	4	3	3	8
Nov.	86	2	3	3	5	2	0	4	3	2	9
Dec.	86	3	6	3	7	3	4	3	3	3	13
Jan.	87	2	7	3	8	2	6	3	3	4	17
Feb.	87	3	9	3	8	3	10	4	4	3	16
		Ten Year Annual Growth Rate, Percent									
1976-86		3	3	3	3	3	3	2	2	4	4

Where We Are

Growth Rates, %, Performance Indexes



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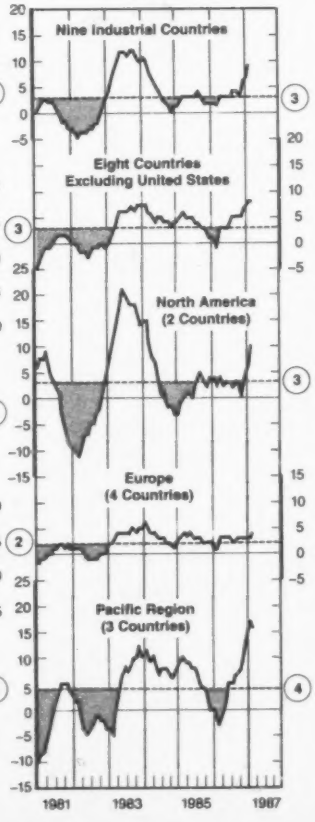

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